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U. S. Department of Agriculture

Model for Marketing Agreement - General Form

Note: This model is a guide to be followed, wherever applicable, as to order and subject matter, and except for reasons satisfactory to the Administrator, as to inclusion of the standard provisions drafted.*

MARKETING AGREEMENT FOR
(Name of commodity and, if desirable, the locality)

Part 1.

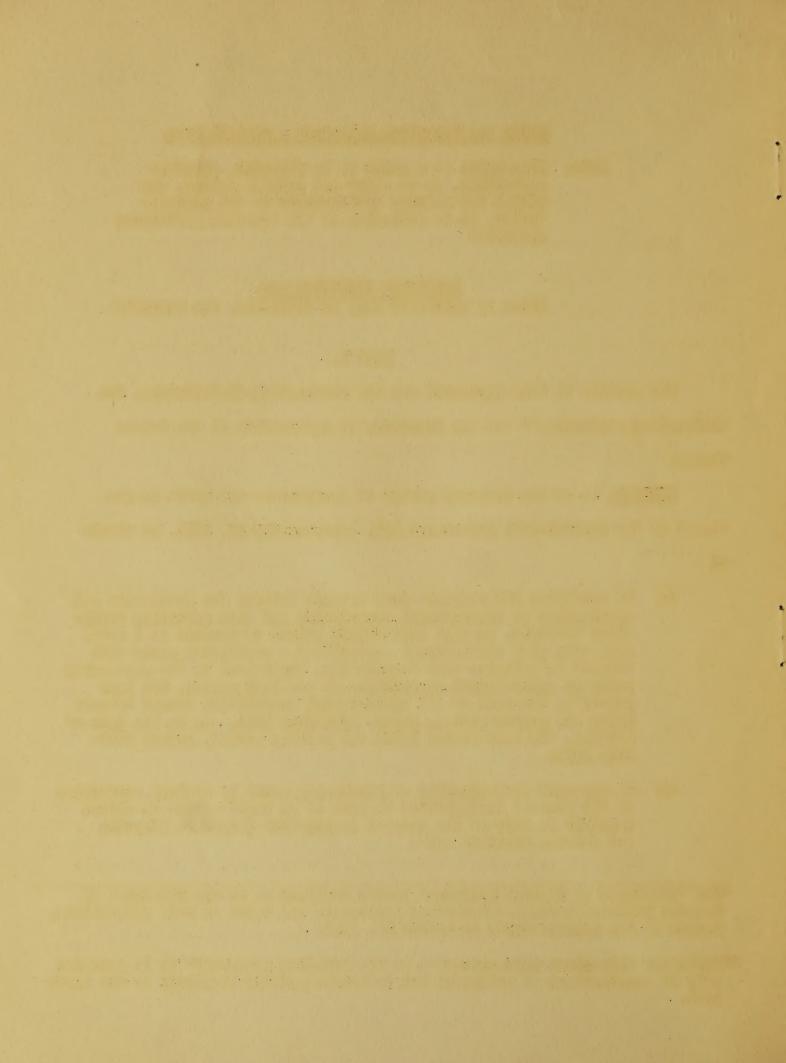
The parties to this Agreement are the contracting distributors, the contracting producers,** and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended -

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909-July 1914, and in the case of tobacco, the base period being the postwar period, August 1919-July 1929:
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as deemed feasible in view of the current consumptive demand in domestic and foreign markets; and -

^{*}The "Statement of General Policies" herein referred to is the Statement of General Policies Governing Marketing Agreements and Codes of Fair Competition, issued by the Administrator September 20, 1933.

^{**}Reference throughout this agreement to "contracting producers" to be included only if associations of producers are to become parties signatory to the agreement.



(c) To protect the consumers: interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer, above the percentage which was returned to the farmer in the prewar period, August 1909-July 1914; and -

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of (agricultural commodity) in (locality) and the distribution thereof, and to effectuate the declared policy of the Act, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the Act;

NOW THEREFORE, the parties hereto agree as follows:

Part II.

As used in this Agreement, the following words and phrases are defined as follows:

- (a) "Secretary" means the Secretary of Agriculture of the United States
- (b) "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.
- (c) "Person" means individual, partnership, corporation, and association.
- (d) (Definition of the agricultural commodity and/or products thereof, if necessary)
- (e) (Definition of contracting producers, if necessary. Only associations of producers engaged in handling the agricultural commodity or products thereof and who become parties signatory to the agreement according to the terms thereof, shall be covered by the definition. Eligibility requirements relating to locality may also be included.)

- (f) (Definition of contracting distributors. Only processors and others engaged in the handling of the agricultural commodity or products and who become parties signatory to the agreement according to the terms thereof shall be covered by the definition.

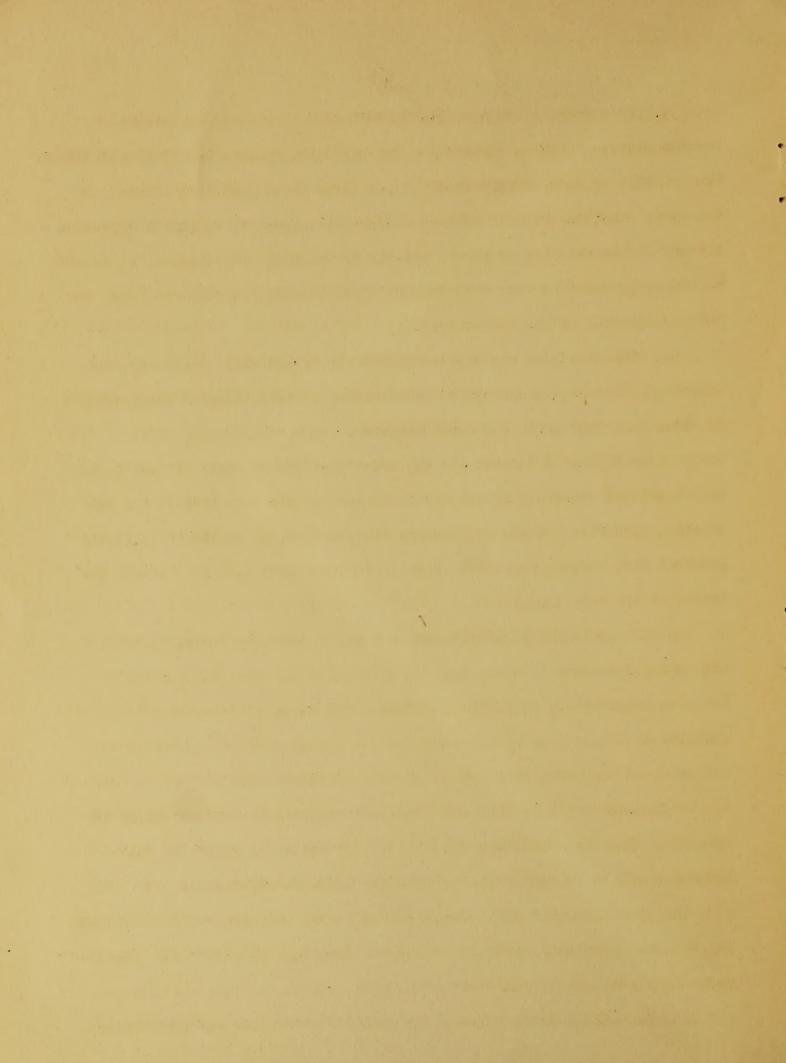
 Eligibility requirements relating to locality may also be included.)
- (g) etc. (And other necessary definitions.)

Part III.

- 1. (Obligation of contracting distributors to pay at least scheduled minimum prices for the agricultural commodity purchased from producers.

 See Par. 5 of Statement of General Policies. The schedule for such prices and related requirements shall be set forth in an Exhibit A hereto. In the event that the schedule of prices is subject to change by agreement between contracting producers and contracting distributors, it should be expressly provided that such changes shall become effective only upon the written approval of the Secretary.)
- 2. (Obligation of contracting distributors to sell at or at not more than scheduled maximum prices. See Par. 6 of Statement of General policies. The schedule for such prices and related requirements shall be set forth in an Exhibit B hereto. In the event that the schedule of prices is subject to change by agreement between the contracting producers and the contracting distributors, it should be expressly provided that such changes shall become effective only upon the written approval of the Secretary.)

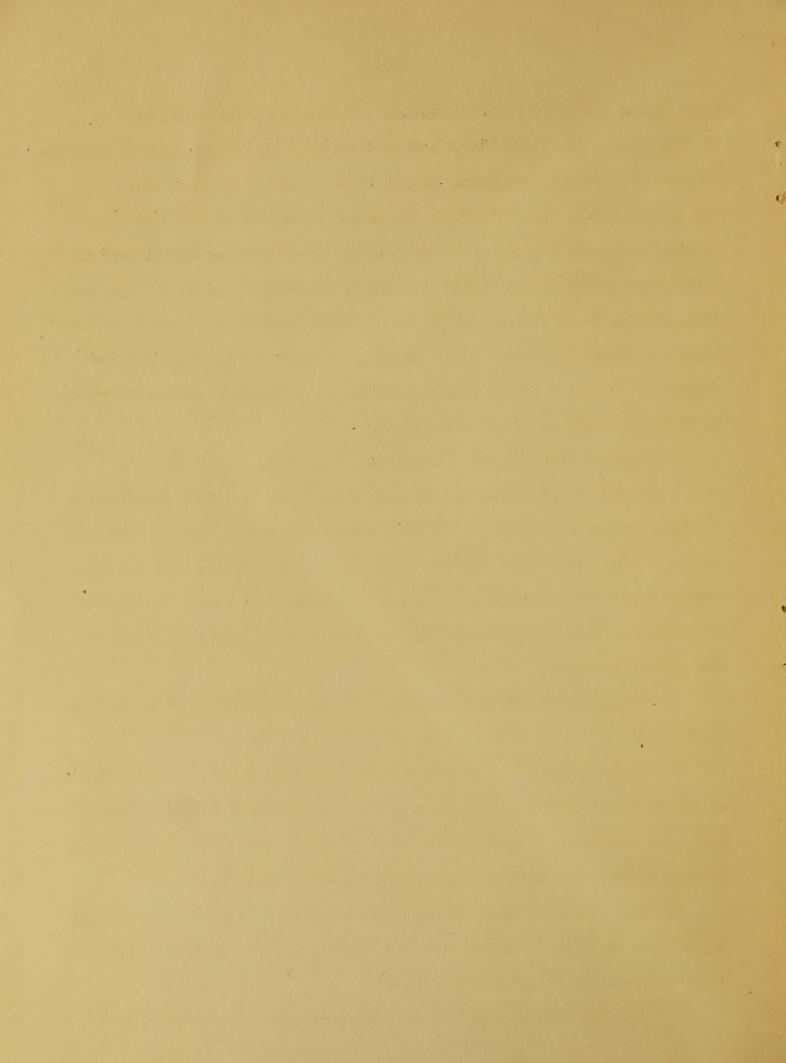
- 3. (Obligation of contracting distributors to conform to schedule of service charges, such as commissions and handling, storage and financing fees. The schedule of such charges shall be set forth in an Exhibit C hereto. In the event that the schedule of such charges is subject to change by agreement between the contracting producers and the contracting distributors, it should be expressly provided that such changes shall become effective only upon the written approval of the Secretary.)
- 4. (Obligation of contracting distributors, and where necessary, contracting producers, to conform to quota and restricted shipment requirements. See Par. 5 of Statement of General Policies. Such requirements shall be set forth in an Exhibit D hereto. In the event that the schedule of such quotas and restricted shipments is subject to change by agreement between the contracting producers and the contracting distributors, it should be expressly provided that such changes shall become effective only upon the written approval of the Secretary.)
- 5. The contracting distributors and the contracting producers shall severally, from time to time, upon the request of the Secretary, furnish him such information, on and in accordance with forms of reports to be supplied by him, as may be necessary for the purposes of (1) assisting the Secretary in the furtherance of his powers and duties with respect to this agreement, and/or (2) enabling the Secretary to ascertain and determine the extent to which the declared policy of the Act and the purposes of this agreement will be effectuated, such reports to be verified under oath. The contracting distributors and contracting producers also severally agree that, for the same purposes, and/or to enable the Secretary to verify the information furnished him on said forms of reports, all their books and accounts and records, and the books and records of their affiliates and subsidiaries,



shall during the usual hours of business be subject to the examination of the Secretary. The terms "books and records" mean any books, records, accounts, contracts, documents, memoranda, papers, correspondence or other written data pertaining to the business of the person in question. The term "subsidiary" means any person, of or over which, the contracting distributor or contracting producer has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner. The term "affiliate" means any person which has, either directly or indirectly, actual or legal control of or over a contracting distributor or contracting producer, whether by stock ownership or in any other manner.

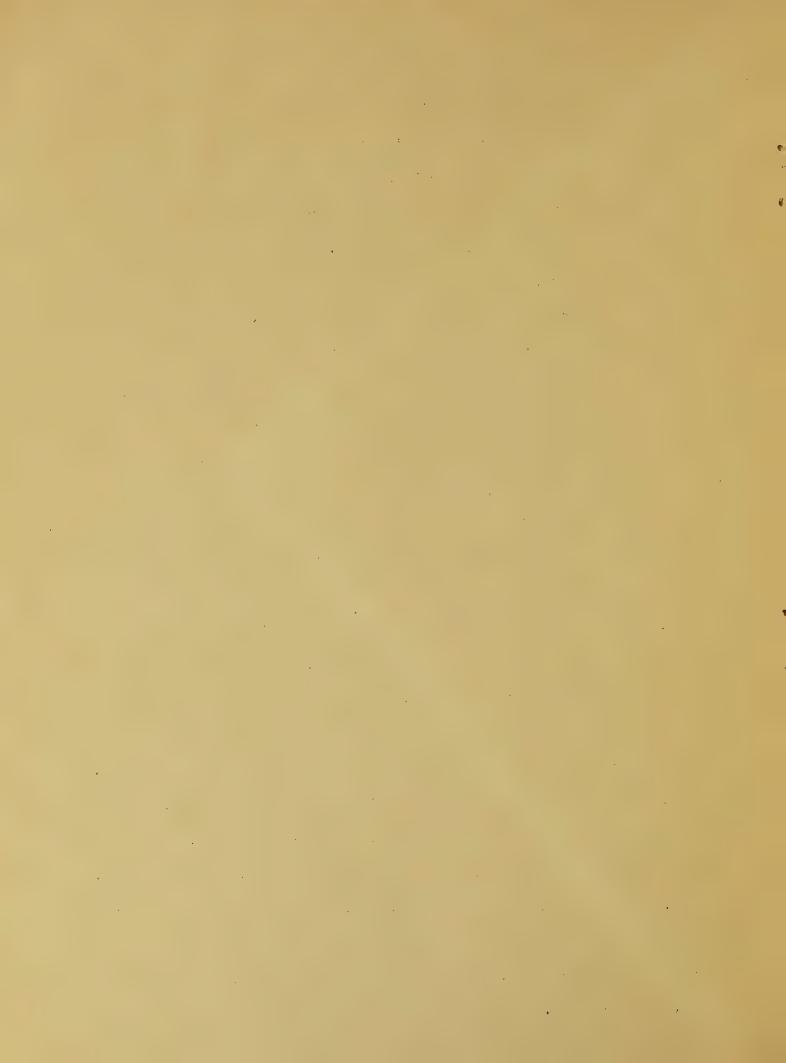
Contracting distributors and contracting producers shall severally keep books and records which will clearly reflect all financial transactions of their respective businesses and the financial condition thereof, and shall see to it that their respective affiliates keep such records. All information furnished the Secretary pursuant to this paragraph shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

- 6. (Supervisory body for industry. See Par. 8 of Statement of General Policies.)
- 7. (This section to be included under circumstances set forth in Par. 9 of the Statement of General Policies). The contracting distributors hereby apply for and consent to licensing by the Secretary, subject to the applicable General Regulations, Agricultural Adjustment Administration.
- 8. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and this Agreement shall continue in force until terminated as follows:
 - (a) The Secretary may at any time terminate this Agreement as to



all parties thereto by giving at least one day notice by means of a press release or in any other manner which the Secretary may determine.

- (b) The Secretary may at any time terminate this Agreement as to any party signatory thereto, by giving at least one day notice, by depositing the same in the mail and addressed to such party at his last known address.
- of ______ percent of the contracting producers or ______ percent of the contracting distributors, such percentage to be measured by the volume of (agricultural commodity or products thereof) marketed or distributed respectively, by giving notice, in the same manner as provided in subdivision (a) above.
- (d) This Agreement shall in any event terminate whenever the provisions of the Act authorizing it cease to be in effect.
- 9. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination, except with respect to acts done prior thereto; and the benefits, privileges and immunities conferred by this Agreement upon any party signatory hereto shall cease upon its termination as to such party except with respect to acts done prior thereto.
- 10. This Agreement may be executed in multiple counterparts, which when signed by the Secretary shall constitute, when taken together, one and the same instrument as if all such signatures were contained in one original.
- ll. After this Agreement first takes effect any association of producers or any distributor (insert conditions of eligibility) may become a party to this Agreement, if a counterpart thereof is executed by him and by the Secretary. This Agreement shall take effect as to such new con-



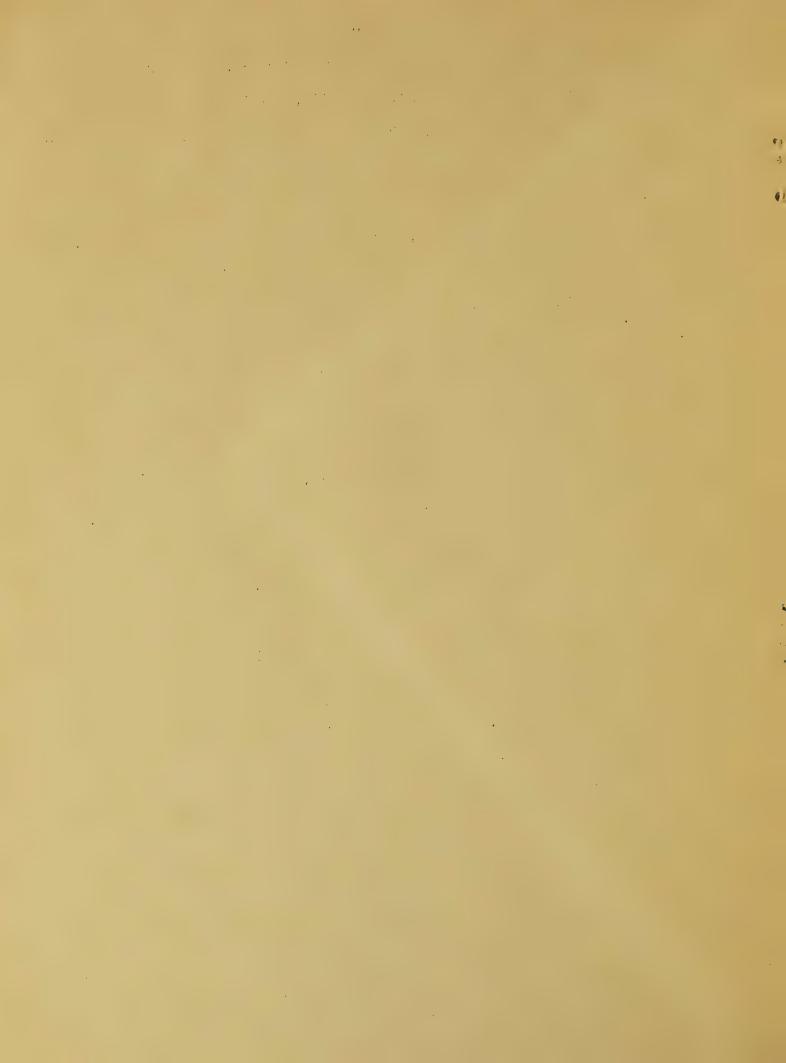
tracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this Agreement shall then be effective as to such new contracting party.

- 12. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and the applicability of any provision to any other person, circumstance or thing shall not be affected thereby.
- 13. Nothing herein contained is or shall be construed to be in derogation or modification of the rights of the Secretary to exercise any powers granted to him by the Act or otherwise, and, in accordance with such powers, to act in the premises whenever he may deem it advisable.
- 14. The Secretary may by a designation in writing, name any person, including any officer or employee of the Government, to act as his agent in connection with any of the provisions of this agreement.

Part IV.

IN WITNESS WHEREOF the Contracting parties, acting under the provisions of the Agricultural Adjustment Act, for the purposes and subject to the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

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WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power to enter into marketing agreements with processors, associations of producers, and others engaged in the handling in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the anti-trust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act";

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provision of the Act, and the regulations issued thereunder; and

WHEREAS,* the Secretary finds (1) that the contracting producers and the contracting distributors are engaged in the handling of (commodity and/or products thereof) in the current of interstate (and/or foreign) commerce; and (2) that the conditions existing in the marketing and distribution of (commodity and/or products thereof) in intrastate commerce burden the marketing and distribution of (commodity and/or products thereof) in interstate (and/or foreign) commerce; and (3) that the marketing and distribution of (commodity and/or products thereof) in intrastate commerce is inextricably intermingled with their marketing and distribution in interstate (and/or foreign) commerce; and

WHEREAS, it appears, after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as herein before in this Agreement set forth;

^{*} Include such of the three findings as are applicable with respect to the particular industry.

· Notation and parties of the

NOW THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting
under the provisions of the Agricultural Adjustment Act, for the purposes
and within the limitations therein contained, and not otherwise, do hereby
execute this Agreement under my hand and official scal of the Department of
Agriculture, in the City of Washington, District of Columbia, on this
day of, and pursuant to the provisions hereof declare this Agree-
ment to be effective on and after Eastern Standard Time,

Secretary of Agriculture.

[Seal]

Note: Immediately hereafter shall follow the several Exhibits referred to in the Agreement.

